

Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
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ICA-11 DOE-15 SOE-02 AID-05 EB-08 TRSE-00 COME-00
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R 211642Z APR 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 2013
INFO AMEMBASSY BOGOTA
AMEMBASSY PORT OF SPAIN
USCINCLANT NORFOLK VA
USCINCO QUARRY HEIGHTS
AMEMBASSY BRUSSELS

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 3748

E.O. 11652: GDS
TAGS: ECON PINT VE
SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 3529

SUMMARY: DIEGO ARRIA OUTLINES HIS CAMPAIGN STRATEGY. OIL
PRODUCTION CONTINUES TO RECOVER. TEACHERS STRIKE SUSPENDED.
EEC OFFICE OPEN IN CARACAS. OFFSHORE DRILLING PROGRAM
ANNOUNCED. END SUMMARY.

1. DIEGO ARRIA OUTLINES HIS CAMPAIGN STRATEGY.
IN A LENGTHY INTERVIEW IN EL NACIONAL OF APRIL 19, DIEGO
ARRIA REITERATED HE WAS A PRESIDENTIAL CANDIDATE AND OUTLINED
HIS CAMPAIGN. ARRIA TOOK AN OPENING SHOT AT MACHINE POLITICS
(AD AND COPEI) CHARACTERIZING THEM AS USEFUL FOR THEIR PAST
CONTRIBUTION TO THE THE ESTABLISHMENT OF VENEZUELAN DEMOCRACY,
BUT NO LONGER CAPABLE OF PROVIDING A FOCUS OR METHODOLOGY
FOR SOLVING THE PROBLEMS OF CONTEMPORARY VENEZUELAN SO-
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CIETY. HE FURTHER CRITICIZED THE POLITICAL CAMPAIGNS AND
RALLIES OF THE "OLD POLITICIANS" AND DISMISSED THEM AS
ANACHRONISTIC. THE DECEMBER ELECTIONS (AND HIS CANDIDACY)
HE EMPHASIZED WOULD OFFER TWO OPTIONS FOR VENEZUELAN SO-
CIETY: (A) THE TRADITIONAL OUTLOOK AND METHODS OF THE
OLD POLITICAL PARTIES AND CANDIDATES. (B) OR A NEW WAY OF
LOOKING AT VENEZUELA, ITS POSSIBILITIES, OPPORTUNITIES

AND INSTRUMENTS OF ACTION. ARRIA EMPHASIED HIS CAMPAIGN WOULD SHUN POLITICAL RALLIES AND MACHINE POLITICS, RATHER IT WOULD CONCENTRATE ALMOST EXCLUSIVELY ON THE COMMUNICATIONS MEDIA, TOGETHER WITH PERSONAL APPEARANCES IN FORUMS AND "CONVERSATIONS WITH ALL SECTORS OF VENEZUELAN SOCIETY." HE CONCLUDED WITH WHAT WILL BE HIS CAMPAIGN SLOGAN SAYING " THE HAPPINESS OF THE PEOPLE IS NOT THE SOLE RESPONSIBILITY OF THE GOVERNMENT, BUT THE DUTY OF EVERYONE--A COMMON CAUSE." COMMENT/ ARRIA CONTINUED HIS POLITICAL STRIPTease, STOPPING SHORT OF ANNOUNCING THE STARTING DATE OF HIS FORMAL CAMPAIGN. HE, HOWEVER, TOLD THE AMBASSADOR IT WOULD KICK OFF IN MAY. END COMMENT.

2. OIL PRODUCTION CONTINUES TO RECOVER.

OIL PRODUCTION CONTINUES TO INCREASE GRADUALLY FROM ITS NADIR IN EARLY FEBRUARY. AVERAGE PRODUCTION FOR THE YEAR TO DATE IS 1.86 MILLION BARRELS PER DAY, ABOUT 17 PERCENT BELOW THE 1977 YEAR END AVERAGE OF 2.24 MILLION. PRODUCTION LEVELS OVER THE PAST MONTH HAVE BEEN IN THE 2.1 TO 2.2 MILLION BARREL PER DAY RANGE.

3. TEACHERS STRIKE SUSPENDED.

THE FEDERATION OF ASSOCIATION OF PROFESSORS OF INSTITUTES AND UNIVERSITY COLLEGES (FAPICUV) IS SUSPENDING AN EIGHT-DAY-OLD STRIKE AND PROPOSE TO RESUME NEGOTIATIONS WITH CONFIDENTIAL

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THE MINISTRY OF EDUCATION APRIL 21. TWENTY-THREE JUNIOR AND TEACHER COLLEGES AND INSTITUTES WITH APPROXIMATELY 150,000 STUDENTS HAVE BEEN AFFECTED BY THE STRIKE. MEDIATION EFFORTS BY THE CONFEDERATION OF VENEZUELAN WORKERS (CTV) APPEAR TO HAVE BROUGHT THE MINISTRY AND FAPICUV BACK TO THE BARGAINING TABLE. ACCORDING TO A TRADE UNION SOURCE, THE GOVERNMENT IS PREPARED TO OFFER A 20 PERCENT PAY INCREASE RETROACTIVE TO SEPTEMBER 30, 1978 BUT PAYABLE ONLY AFTER JANUARY 1, 1979 UNDER THE NEW 1979 BUDGET. A MAJOR STICKING POINT IN THE NEGOTIATIONS SO FAR HAS BEEN THE GOVERNMENT'S INABILITY TO OFFER ANY SALARY INCREASE IN 1978 DUE TO RECENTLY ANNOUNCED BUDGET CUTS. FAPICUV, WHICH HAS BEEN DEMANDING A 30 PERCENT INCREASE, UNDOUBTEDLY WILL PRESS FOR MORE THAN 20 PERCENT INCLUDING SOME IMMEDIATE INCREASE. NEVERTHELESS, CTV INTERVENTION HAS EASED A HARDENING CONFRONTATION BETWEEN THE TWO PARTIES. VIOLENCE ERUPTED ON APRIL 13. THE FIRST DAY OF THE STRIKE WHEN EIGHT STUDENTS WERE INJURED BY ARMED GOONS AS STUDENTS STAGED AN UNAUTHORIZED SYMPATHY STRIKE ON BEHALF OF THE TEACHERS. THE MINISTRY LATER THREATENED TO IMPOSE THE UNPOPULAR PRESIDENTIAL INSTRUCTION 35 ON THE STRIKING TEACHERS. THE INSTRUCTION ISSUED LAST FALL PROVIDES FOR SUSPENSION OF

PAY AND DISCIPLINARY ACTION AGAINST STRIKING PUBLIC SERVANTS, INCLUDING TEACHERS. COMMENT: THE RETURN OF THE TEACHERS TO THE BARGAINING TABLE SUGGESTS THAT A COMPROMISE SOLUTION MAY BE NEAR. THE GOVERNMENT WILL BE ANXIOUS TO AVOID FURTHER DISRUPTION OF THE NATION'S EDUCATIONAL SYSTEM IN THE FINAL TERM OF THE SCHOOL YEAR AND DURING THE ELECTION CAMPAIGN. THE RULING ACCION DEMOCRATICA PARTY HAS SUBSTANTIAL REPRESENTATION IN FAPICUV WHICH WILL ALSO BE UNDER INSTRUCTIONS TO COOL THE CONFRONTATION. END COMMENT.

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4. EEC OFFICE OPENED IN CARACAS.

A DELEGATION FROM THE EEC'S LATIN AMERICAN DIVISION HEADED BY WILHELM HAERKAMP, VICE-PRESIDENT OF THE EEC, VISITED CARACAS DURING THE WEEK OF APRIL 17-21 TO INAUGURATE THE ORGANIZATION'S NEW LATIN AMERICAN OFFICE IN CARACAS. HAERKAMP MET BRIEFLY WITH PRESIDENT PEREZ. IN COMMENTS TO THE LOCAL PRESS, HAERKAMP CITED THE DEMOCRATIC CHARACTER OF VENEZUELA'S GOVERNMENT AND ITS RESPECT FOR HUMAN RIGHTS, AS WELL AS ITS GROWING ROLE IN LATIN AMERICA AND THE WORLD IN INTERNATIONAL COOPERATION AS REASONS FOR LOCATING THEIR REGIONAL OFFICE IN CARACAS. THE PURPOSE OF THIS OFFICE, ACCORDING TO HAERKAMP, WOULD BE TO STRENGTHEN THE ECONOMIC TIES BETWEEN THE LATIN AMERICA AND EUROPEAN COUNTRIES, AS WELL AS THOSE BETWEEN THE EEC AND

LATIN AMERICAN ECONOMIC INTEGRATION ORGANIZATIONS, PARTICULARLY THE ANDEAN PACT AND SELA. COMMENT: ALTHOUGH NOT MENTIONED DIRECTLY BY HAFERKAMP, THE FACT THAT COMPANIES FROM SEVERAL EEC COUNTRIES ARE ACTIVELY INVOLVED IN VERY CONFIDENTIAL

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LARGE INDUSTRIAL AND INFRASTRUCTURE PROJECTS IN VENEZUELA WAS A FACTOR IN LOCATING THE REGIONAL EEC OFFICE HERE. IN ADDITION, VENEZUELA'S HUMAN RIGHTS REPUTATION WAS ALSO A MAJOR CONSIDERATION IN THE DECISION. END COMMENT.

5. OFFSHORE DRILLING PROGRAM ANNOUNCED.

PETROLEOS DE VENEZUELA PRESIDENT ALFONSO RAVARD ANNOUNCED OIL INDUSTRY'S PLANS TO BEGIN OFF-SHORE DRILLING FOR LIGHT CRUDE AS EARLY AS AUGUST OF THIS YEAR. THREE OF THE OPERATING COMPANIES, LAGOVAN, MARAVEN, AND CVP ARE REVIEWING BIDS BY 19 FOREIGN CONTRACTORS, INCLUDING 12 US FIRMS, TO SUPPLY THREE OFFSHORE RIGS. DRILLING WILL TAKE PLACE OFF THE ORINOCO RIVER DELTA SOUTH OF TRINIDAD AND IN TWO AREAS EAST OF CARACAS. THE TULFO TRISTE AND ENSENADA DE LA VELA. WHILE MOST OF VENEZUELA'S PETROLEUM IS PRODUCED FROM WELLS IN LAKE MARACAIBO, TRUE OFFSHORE EXPLORATION HAS BEEN LIMITED TO A FEW WELLS DRILLED IN 1974 IN THE ENSENADA DE LA VELA.

6. OTHER REPORTING INCLUDED (CARACAS 3679) FONMIN CONSALVI DISCUSSES LOS CONFERENCE, (CARACAS 3715) VENEZUELA PRAISES PASSAGE OF CANAL TREATIES, (CARACAS 3618) AIFLD COUNTRY APPENDICES TO REGIONAL CONTRACT (CARACAS 3583) EX-PRESIDENT CALDER REQUEST MEETING WITH PRESIDENT CARTER, (CARACAS 3559) MAC DISASTER RELIEF AIRFIELD SUITABILITY SURVEY, (CARACAS 3620) INTERAGENCY TASK FORCE TO DEVELOP A NATIONAL EXPORT POLICY, (CARACAS 3599) MAJOR PROJECTS: AMUAY REFINERY, (CARACAS 3597) IMPORT PROHIBITIONS/TEXTILES, (CARACAS 3585) CIVAIR: PROBLEMS WITH VENEZUELA (CARACAS 3637) COUNTRY COMMERCIAL PROGRAM 2ND QTR 1978.

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